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**PAIR SENTENCED FOR MILLION DOLLAR FRAUD SCHEME**

Lisa Godbey Wood, United States Attorney for the Southern District of Georgia, announced today that sentence was imposed on May 24, 2006 for defendants Richard Smiley and James Patrick Densmore by Chief U.S. District Judge William T. Moore, Jr. in Savannah, Georgia.

Densmore and Smiley fraudulently solicited numerous victims in the Savannah and Atlanta area for short-term loans by representing to victims that their money was being used to complete a lucrative commercial truck transaction and by promising a quick return of victims' money, along with a substantial profit. Each defendant was charged with one count of conspiring to (a) possess a counterfeit security of an organization; (b) commit mail fraud; (c) commit wire fraud; and (d) commit money laundering, one count of possessing a counterfeit security of an organization, two counts of mail fraud, and five counts of wire fraud. Smiley pled guilty to the conspiracy count prior to trial and Densmore elected to go to trial, which was held in February, 2006. The jury convicted Densmore of all nine counts of the Indictment.

The evidence at trial showed that there was never a commercial truck transaction and that the funds provided by victims was used to pay back a victim of an earlier fraudulent commercial truck financing scheme, and by Densmore to purchase Rolex watches, cars and a home. During the course of the scheme, victims were shown a copy of an official bank check made payable for

\$43,000,000.00 as proof of the representations made by Densmore and Smiley. In fact, the check was counterfeit. Victims were also provided with a notarized promissory note from a purported accountant and a letter about the commercial truck transaction from a purported lawyer. The evidence at trial established that the promissory note had been fraudulently notarized. Six victims of the scheme testified against Densmore. Their cumulative losses amounted to more than \$1,000,000.00.

Smiley was sentenced to 37 months imprisonment, 3 years of supervised release and a \$100.00 special assessment. Densmore was sentenced to 66 months imprisonment, 3 years of supervised release and a \$900.00 special assessment. Both Smiley and Densmore were ordered to pay full restitution to their victims, in the total amount of \$1,214,000.00. Chief Judge Moore remanded Densmore immediately to the custody of the United States Marshal to begin serving his sentence of imprisonment.

The case was investigated by Special Agents Allan Malone, Troy Stamps and Andrea Peacock of the United States Secret Service. The United States was represented by Assistant United States Attorneys Robert M. Brennan and Brian F. McEvoy.

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